

# Health



# Insurance

## S O C I A L   S E C U R I T Y   A C T

NAME OF BENEFICIARY

CLAIM NUMBER

SEX

IS ENTITLED TO

EFFECTIVE DATE

**SPECIMEN**

HISTORY

RA

412

.35

N7

U55

1978

SIGN  
HERE



RA  
412.35  
.N7  
U55  
1978

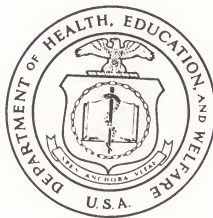
HEALTH CARE FINANCING ADMINISTRATION

MEDICARE BUREAU

REGION II, NEW YORK

OPERATIONS CHART BOOK

DECEMBER 1978



# OPERATIONS CHART BOOK

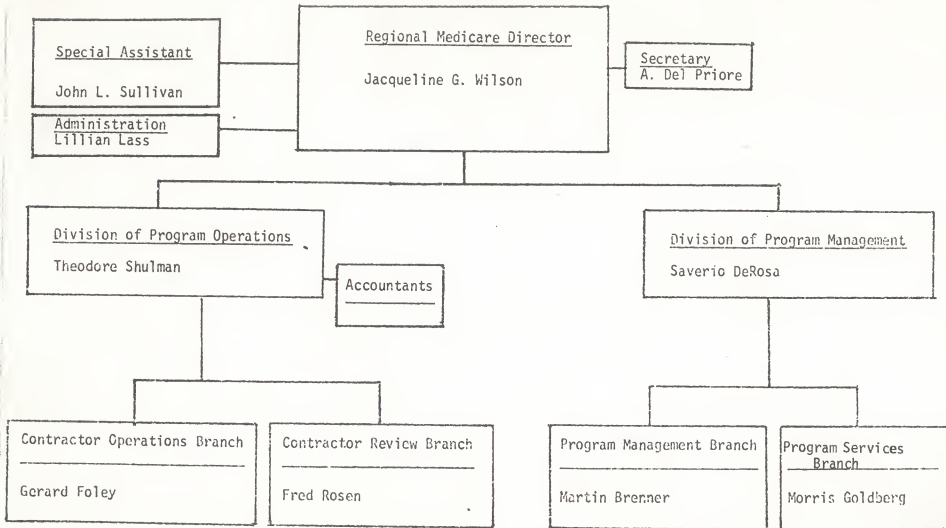
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REGION II MEDICARE BUREAU ORGANIZATION

December, 1978

NEW YORK REGIONAL OFFICE



## MEDICARE BUREAU REGIONAL OFFICE

This Office represents the Medicare Bureau, Health Care Financing Administration, on a regional level. Assures the effective administration of the Medicare program in the region through day-to-day working relationships with Medicare contractors, providers, physicians, SSA District Office personnel, and other organizations and individuals concerned with the program operations. Assures continuing surveillance and appraisal of Medicare contractors in the administration of certain health insurance provisions. Identifies problems and initiates action to ensure contractor adherence to national Medicare policy and procedures. Directs Medicare regional financial management activities. Directs a program of indepth surveys to evaluate the effectiveness of the Medicare program.

Conducts Quality Assurance programs and onsite performance appraisals and analyzes statistical performance reports. Negotiates and approves contractor budgets, modifications to budget allotments and final cost settlements. Coordinates day-to-day contractor financial management activities; reviews and approves certain subcontracts and leases, and monitors banking activities, and evaluates cost allocation procedures of contractors. Conducts contractor appraisals and district office comprehensive reviews. Provides direction to Medicare contractors in carrying out their responsibilities for interfacing with the monitoring Professional Standards Review Organizations.

In coordination with the Office of the HCFA Regional Administrator and other HCFA components, as appropriate: develops and implements a program of liaison with organizations representing health care professionals, providers of health care services, and program beneficiaries; takes necessary action on matters relating to the Freedom of Information Act and the Privacy Act; performs regional responsibilities relating to experimental and demonstration projects; assumes responsibility for program training; and assures timely response to congressional and public inquiries. Provides current feedback to central office counterpart on operations, activities, and problems. Provides regional perspective in the development of counterpart central office policies, objectives and work plans.

## MEDICARE BUREAU

### OFFICE OF THE REGIONAL MEDICARE DIRECTOR

Plans and controls the work activity of the two Divisions of the Medicare Regional Office. Assures the effective administration of the Medicare program through the day-to-day working relationships with Medicare contractors, providers, physicians, SSA regional office and district office personnel and other organizations and individuals concerned with the program operations. In coordination with the Health Care Financing Administration (HCFA) Regional Administrator and other HCFA components, develops and implements a program of liaison with organizations representing health care professionals, providers of health care services and program beneficiaries. The staff in the Office assists the Regional Medicare Director in day-to-day operations and management of staff activities.

## MEDICARE BUREAU

### DIVISION OF PROGRAM OPERATIONS

Plans, directs and coordinates regional office activities in assuring the effectiveness of Medicare contractor operations in the region through a regular program of surveillance and appraisal, and day-to-day working relationships with contractor personnel. Includes: a regular contractor visit program, onsite performance appraisals, evaluation of contractor operating systems, formal qualify assurance programs under both Part A and Part B, and preparation of periodic formal contractor evaluation reports. Reviews, negotiates, and recommends for contract renewal, nonrenewal, or termination. Provides direction and guidance to Medicare contractors for the implementation of program policies, standards, and directives, including: substantive policies relating to services provided by hospitals, skilled nursing facilities, home health agencies; physicians (including provider-based and teaching physicians), and other suppliers of services; provider reimbursement and accounting policies and procedures; medical necessity and utilization safeguards; nonmedical coverage exclusions, deductibles, and coinsurance. Coordinates the dissemination of regional Medicare instructional issuances. Identifies problems and initiates action to ensure contractor adherence to national HCFA policy and procedures. Assures coordination of all matters within area of responsibility with appropriate components in Medicare Bureau Central Office.

## MEDICARE BUREAU

### DIVISION OF PROGRAM MANAGEMENT

Provides direction for Medicare regional fiscal and administrative relationships with carriers, intermediaries, SSA district offices, State agencies, providers and suppliers of services, and other individuals and groups concerned with health care administration and financing. Directs all regional financial management activities involving Medicare contractors including reviewing, negotiating, and approving Part A and Part B contractor budgets; negotiating and approving final cost settlements based on DHEW Audit Agency audits; analyzing monthly financial reports; approving bank agreements and monitoring contractors' banking activities; and evaluating contractors' cost allocation procedures. Reviews and approves contractors' leases and subcontracts; reviews and makes recommendations concerning approval of EDP subcontracts; directs regional activities concerning special fixed price and incentive contract procurements with Part B contractors. Monitors contractor overpayment identification and collection activities; prepares overpayment cases for submission to GAO for collection, and/or to the Department of Justice for possible prosecution.

Provides direction and technical assistance to the Social Security District Offices concerning the Medicare entitlement, post-entitlement and beneficiary education functions they perform under agreement with HCFA. Monitors the performance of these functions and recommends changes in the district office procedures, changes in policies, and training needed by district office personnel to enhance performance; coordinates with the SSA Office of the Regional Commissioner to assure the implementation of recommendations for improvements in district office performance. Acts to resolve Medicare entitlement problems not covered by regular procedures. Develops and oversees regional procedures for coordinating between district offices and contractors. Negotiates and approves State buy-in agreements and provides direction and assistance to State buy-in agencies in carrying out their responsibilities. Plans, directs, and coordinates activities to assure that Medicare beneficiaries, participating providers, physicians and other suppliers are informed of program benefits, their rights and responsibilities. This includes maintaining ongoing relationships with provider and beneficiary groups; preparing regional informational issuances; and providing direction to and monitoring the performance of Medicare contractors in carrying out their responsibilities for verifying beneficiary identification with SSA, beneficiary services, appeals, beneficiary overpayment and refund collection, and professional and provider relations activities.

Provides Medicare orientation, training, and day-to-day liaison with direct-dealing providers, Comprehensive Health Centers (CHCs), Group Practice Prepayment Plans (GPPPs), and Health Maintenance Organizations (HMOs). Acts as a resource to these organizations for policy and procedural questions;



conducts continuing appraisal of the Medicare procedures of direct-dealing providers; and analyzes CHC budgets and recommends approval of interim rates. Responsible for preparation of responses to requests for disclosure of information under the Freedom of Information and Privacy Acts, coordinates with the HCFA Regional Administrator, the Office of the Regional Attorney, and the Office of the Secretary at the regional level. Develops, coordinates, and prepares responses to congressional and beneficiary correspondence. Reviews, analyzes, and takes necessary action for the authorization or disallowance of emergency foreign service claims.

MEDICARE BUREAU  
MONITORING CONTRACTOR PERFORMANCE  
FISCAL YEAR 1978

METHODOLOGY:

Administrative Budgets	\$81,893,700	Approved
HEW Audit of Administrative Cost Settlements	11	Completed - \$531,122 in Program Savings
Contractor Inspection and Evaluation Program	150	Reviews
Annual Contractor Evaluation Report	25	Issued

Quality Assurance Program :

- Part A -- Reviewed 80 Cost Report Settlements at 12 Contractors - \*\$1.2 Million in Program Savings
- Part B -- End of Line Review of Paid Claims
- Continuous Sample at 6 Contractors

\* During this period, total program savings for the entire country amounted to \$1.9 million.

MONITORING SSA DISTRICT OFFICE PERFORMANCE AND BENEFICIARY SERVICES

FISCAL YEAR 1978

Methodology:

District Office Program Visits	41
District Office Training Classes	15
Conferences and Other Field Visits	151
Problem and Critical Cases	
Buy-In	885
Medicare Claims	1,834
Entitlement	454
Telephone Inquiry	6,972
Other	513
Congressional-VIP and Beneficiary Correspondence	
Received	1,941
Cleared	1,967
Informational Program Circulars Issued	10
Medicare Beneficiary Aide Projects	5

MONITORING DIRECT REIMBURSEMENT PROVIDERS

FISCAL YEAR 1978 (10/77 - 9/78)

METHODOLOGY:

Physician Certification and Recertification Compliance Surveys  
Utilization Review Compliance Surveys  
Claims and Billing Procedures Training  
Claims Audits  
Claims Coverage Training  
Fiscal Reviews  
Cost Report Settlement Activity  
Periodic Interim Payments (PIP) Reviews  
  
Total Surveys, Audits, Reviews, and Training Sessions Completed - 225

DIRECT DEALING PROVIDERS IN REGION II

	<u>Total</u>
HOSPITALS -----	56
(NYCHHC Hospitals)	15
(Puerto Rico)	20
(Medical/Surgical Units of NYSDMH Providers)	14
(Federal Hospitals)	1
(Others)	6
SKILLED NURSING FACILITIES -----	11
HOME HEALTH AGENCIES -----	27

DIRECT DEALING PROVIDERS IN REGION II CON'T

FISCAL YEAR 1978

	<u>Total</u>
PSYCHIATRIC CENTERS -----	28
DEVELOPMENTAL CENTERS -----	21
HEALTH MAINTENANCE ORGANIZATIONS -----	4
COMPREHENSIVE HEALTH CENTERS -----	12
CHRONIC RENAL DISEASE PROVIDER LIMITED CARE FACILITIES -----	10
CHRONIC RENAL DISEASE NON-PROVIDER LIMITED CARE FACILITIES -----	3
CHRONIC RENAL DISEASE SUPPLIERS -----	1
CHRONIC RENAL DISEASE - V.A. SHARING -----	1
GROUP PRACTICE PREPAYMENT PLANS -----	6

### MEDICARE REGIONAL COST CONTAINMENT INITIATIVES

- I. Blue Cross Blue Shield of Greater New York recently completed, at our request, a study of reimbursement for fiberoptic endoscopies, relatively new diagnostic surgical procedures. Their recommendations call for, significant reductions in current prevailing charge levels, and we intend to implement them, at least in the NYC area, after consultation with professional groups.
- II. Our staff is developing recommendations for revising the procedures which the New York City area carriers use for reimbursing portable x-ray services under Part B. The revision is expected to produce significant savings where companies provide x-rays of more than one patient on visits to nursing homes.
- III. Some modifications have been made to existing regional policy regarding laboratory tests frequently done on automated equipment, and another modification that would produce significant savings is under consideration. Existing policy concerning the tests A/6 Ratio, Total Protein, and Albumin was changed to no longer reimburse separately for an A/6 Ratio billed in conjunction with the other two tests. We are considering use of "battery pricing" when more than two common blood chemistries are done for a patient on a given day. Pricing at "automated rates" is now done when more than three common chemistries are billed on the advice of the Medical Society of the State of New York.
- IV. Reimbursement controls for automated laboratory tests in Puerto Rico are being implemented this winter. The general regional policy could not be implemented there because of peculiarities of the lab industry in the area. Only 12 blood chemistries can be done on automated equipment in Puerto Rico, and rates of reimbursement, as well as provider charges, for SMA-12 batteries are very high. We plan to implement a general policy of battery pricing for the 12 chemistries, and to negotiate a lower rate of reimbursement for SMA-12's.
- V. We developed special prevailing charge screens for catheters and related supplies provided nursing home patients in order to prevent escalation in the cost of such items in upstate New York. The usual practice of such suppliers is to sell the items wholesale to nursing homes. One supplier proposed to bill the Medicare carrier at retail rates for items provided to Medicare patients of nursing homes. The issue had national implications since the billing procedure at issue is recognized in two other areas of the country.

MEDICARE REGIONAL COST CONTAINMENT INITIATIVES CON'T

- VI. With the encouragement and support of RO staff, Blue Cross Blue Shield of Greater New York revised some of their FY 1979 prevailing charges for DME and oxygen equipment for reasonableness and consistency. Consideration of "reasonableness" were applied to reduce prevailing charges for rentals of IPPB equipment and some items of oxygen equipment below those previously used.
- VII. Computerized Axial Tomography (C.A.T.) Scanning equipment represents a great advance in radiology and diagnostic medicine generally. The equipment, which ranges in price from \$350,000 to \$750,000 produces a representational cross section of the head or body showing relative tissue densities in the area being examined.

Policy instruction were issued to all Region II Medicare carriers in May 1977 requiring allowances for this procedure not to exceed \$150 per examination, a rate developed from projections of the unit cost of scanning equipment that is efficiently used. Charges being made for the service were usually much higher, very often double that rate. Blue Cross Blue Shield of Greater New York had brought the problem to our attention and suggested the \$150 per scan rate.

Rates of payment based on providers' high charges were encouraging investment in unnecessary scanners. Reimbursement at the lower rates prevented this, and the lower rates will also have great financial value as the widespread use predicted for this procedure develops.

This regional initiative provided the model for the national reimbursement guidelines covering CT Scanning that were issued in September 1978.

COST CONTAINMENT INITIATIVES  
SECTION 222 EXPERIMENTAL GRANTS

I. Fixed Price Contract for Upstate New York

As a result of competitive bidding, Blue Shield of Western New York was awarded the contract to process Medicare claims for the 45 county upstate New York area. The winning bid was \$20.3 million for the period from June 1, 1979 through September 30, 1982. This contract merges the activities of the three contractors now operating in the area. (Metropolitan, Genesee Valley Medical Care and Blue Shield of Western New York).

This is the third fixed price contract awarded in Medicare. Under this concept, a contractor is paid a fixed fee instead of the traditional approach of payment on the basis of actual costs. The potential savings in administrative costs for this contract alone has been projected to be \$20 million. In addition to cost advantages, the psychological effect on existing carriers is incalculable. The realization that claims processing can be accomplished at reduced costs should be a positive incentive to reduce the administrative costs of all contractors.

It is expected that these savings will be achieved without any impairment with quality. Controls built into the contract provide for the assessment of liquidated damages if the carrier's performance does not meet established standards. Structured controls will be designed for all aspects of the new contractor's operations, including those previously monitored.

Due to the scope and importance of this project, a significant number of Medicare Bureau personnel will be required to assure its success. The transition and implementation periods will be one of the major efforts of this Regional Office in the coming year.



COST CONTAINMENT INITIATIVES  
SECTION 222 EXPERIMENTAL GRANTS CON'T

II. Second Opinions on Elective Surgery

Blue Cross and Blue Shield of Greater New York was awarded a grant to collect data on "second opinions" prior to elective surgery. The program started during mid May 1978. By the end of October there were 5,548 inquiries, of which 1,034 requested the names of 3 surgeons for second opinions. By the end of October 536 Medicare claims for reimbursement for second opinions have been filed, of which 171 did not confirm the need for surgery. The original projection was that 500 claims were to be received during the first year of the project. On the basis of the actual experience so far this projection should be far exceeded.

III. Development of Model Data System

As a result of the NYSDH grant for "The Development of a Model Health Care Financing Data System" a uniform billing form (UBF-1) has been developed for use by all 3rd party payors. The bill will be phased-in in New York City on July 1, 1979 and in use throughout the state by November 1, 1979. In addition, the grant also encompasses the development of a data collection system based on the UBF-1 elements.

- a. Proper integration of planning process with the rate setting mechanism.
- b. Development of centralized, statewide uniform hospital data base for inpatient services.
- c. Development and experimentation with reimbursement methodologies that will best accomplish the State's cost containment and program objectives.

COST CONTAINMENT INITIATIVES  
SECTION 222 EXPERIMENTAL GRANTS CON'T

IV. Prospective Rate Setting System

The New Jersey State Department of Health has been awarded a grant for the development of a prospective rate setting system. The system would cover all 110 general and acute hospitals in the State and it will be closely interrelated with the health planning process since the New Jersey State Department of Health is also the designated State Health Planning and Development Agency. The New Jersey State Department of Health is currently urging the implementation of DRG's as the method of hospital reimbursement.

V. "Maxicap" - a Prospective Reimbursement System

A contract has been awarded to the Blue Cross Association for the development of a prospective reimbursement system. The developmental program called "Maxicap" will attempt to prospectively link the amount a hospital should be paid to:

- a. a community health service plan, and
- b. to a community budget for hospital care.

By having all hospitals in a community join forces to stay within a total community budget rather than focusing on costs or charges on a single institution, significant cost containment could be achieved. At the October 26, 1978 meeting of the Project Policy Group the nominations and approval of the Maxicap Incorporated Board of Directors was completed. Still to be done is the establishment of the community health plan and signing of the contract by B.C.A. with H.E.W. for the implementation phase of the experiment. John L. Sullivan, Special Assistant to the Regional Medicare Director, has been elected to the Board of Directors.

## MEDICARE BENEFICIARY AIDE (MBA) PROJECTS

OBJECTIVE: To provide hospitalized beneficiaries with consolation, friendship and assistance in completing forms and resolving problems.

To illustrate that "MEDICARE CARES".

### CURRENT PROJECTS:

I. Senior Outreach Services of Southern Ocean County, Bayville, New Jersey

A retired carrier employee is available two mornings each week to answer Medicare inquiries (telephone and in person), complete forms, and resolve problems.

II. Paul Kimball Hospital, Lakewood, New Jersey

A paid, full-time hospital employee (Medicare Beneficiary Advisor) visits all Medicare patients, handles telephone inquiries and in person contacts, resolving many complicated Medicare problems.

III. Saint Michaels Medical Center, Newark, New Jersey

This project is funded by the National Council of Senior Citizens (NCSC) under the provisions of the Older Americans Act. The aides visit patients Monday through Friday, answering questions, resolving problems and giving the patients' the latest Medicare Handbook. (This pilot project was so successful the NCSC extended it to other cities throughout the nation.)

IV. Beth Israel Medical Center, Newark, New Jersey

Another NCSC project. The aides visit patients (their relatives and friends) during visiting hours, five days a week. Discussions are held and problems resolved.

V. United Hospitals Medical Center, Newark, New Jersey

Another NCSC project, similar to Beth Israel and Saint Michael's.

REGIONAL STATISTICS

1. New Jersey, New York, Puerto Rico, Virgin Islands
2. Total Estimated Population (July 1, 1977): 28,552,900

New York	17,924,000
New Jersey	7,329,000
Puerto Rico	3,205,000
Virgin Islands	94,900
3. Medicare Contractors: 20
4. Social Security Administration Field Offices: 139
5. Social Security Administration Program Service Centers: 1

SCOPE OF THE MEDICARE PROGRAM

	<u>NATIONWIDE</u>	<u>REGION II</u>
NUMBER OF BENEFICIARIES ENROLLED - JULY 1, 1977		
PART A	25.5 MILLION	3.4 MILLION
PART B	25.1 MILLION	3.2 MILLION
PART A AND/OR B	25.9 MILLION	3.4 MILLION
MEDICARE CLAIMS RECEIVED - C.Y. 1977		
PART A	34.1 MILLION	4.2 MILLION
PART B	113.2 MILLION	16.2 MILLION
MEDICARE BENEFIT PAYMENTS - F.Y. 1977		
PART A	\$14.9 BILLION	\$2.22 BILLION
PART B	\$ 4.8 BILLION	\$ .93 BILLION

MEDICARE

PROVIDERS OF SERVICES - JUNE 30, 1978

	<u>NATIONWIDE</u>	<u>REGION II</u>	<u>N.Y.</u>	<u>N.J.</u>	<u>P.R.</u>	<u>V.I.</u>
PART A						
ALL HOSPITALS	6,826	571	377	130	62	2
SHORT STAY	6,159	489	320	107	60	2
PSYCHIATRIC	400	54	41	12	1	0
OTHER LONG-STAY	267	28	16	11	1	0
SKILLED NURSING FACILITIES	4,749	637	507	127	3	0
HOME HEALTH AGENCIES	2,605	182	117	44	20	1
PART B						
PRACTICING PHYSICIANS	292,152	48,661	35,786	10,402	2,404	69
INDEPENDENT LABORATORIES	3,281	388	243	103	41	1

### STATISTICAL PROFILE OF MEDICARE CONTRACTORS

The statistical reports which follow are periodically issued to each contractor in the region to enable the contractor to assess its statistical performance within the region. The first eight tables cover Medicare Part A operations, the remaining nine tables cover Medicare Part B operations.

Under separate cover, all contractors routinely receive the accompanying tables from our Central Office. Our combining of the statistical profiles under one cover has permitted negotiations between contractors and regional office to be conducted within a more concise perspective of performance.

MEDICARE CONTRACTORS  
NOVEMBER 1978

<u>Intermediaries</u>		<u>Benefits Paid October 1977-June 1978</u> (in thousands)
New Jersey	Prudential Insurance Company of America	\$ 160,236
	New Jersey Blue Cross (Hospital Service Plan of New Jersey)	292,254
New York	Albany Blue Cross (Blue Cross of Northeastern New York, Inc.)	78,338
	Blue Cross and Blue Shield of Greater New York	922,228
	Buffalo Blue Cross (Blue Cross of Western New York, Inc.)	92,912
	Rochester Blue Cross (Rochester Hospital Service Corporation)	68,351
	Syracuse Blue Cross (Blue Cross of Central New York, Inc.)	78,560
	Travelers	241,325
	Utica Blue Cross (Hospital Plan, Inc.)	43,821
	Watertown Blue Cross (Hospital Service Corp. of Jefferson County)	6,908
Puerto Rico & Virgin Islands	Cooperativa	15,548
	Puerto Rico (Medicare Part A)	20,517
SUBTOTAL "A"		2,020,998



MEDICARE CONTRACTORS  
NOVEMBER 1978

	<u>Carriers</u>	<u>Benefits Paid October 1977-June 1978</u> (in thousands)
New Jersey	Prudential Insurance Company of America	\$ 147,252
New York	Blue Cross and Blue Shield of Greater New York	295,264
	Buffalo Blue Shield (Blue Shield of Western New York, Inc.)	20,837
	Group Health Inc.	30,900
	Metropolitan	50,730
	Rochester Blue Shield (Genesee Valley Medical Care, Inc.)	13,360
Puerto Rico & Virgin Islands	SSS (Seguros de Servicio de Salud de Puerto Rico)	13,846
	SUBTOTAL "B"	\$ 572,189
	TOTAL REIMBURSEMENT	\$ 2,593,187

This region also services the home office functions for contractors Metropolitan, Prudential and Equitable.

# ADMINISTRATIVE COSTS, PART A CONTRACTORS

PERIOD - 3RD QUARTER FISCAL 1978 - (OCTOBER 1977 - JUNE 1978)

<u>Contractors</u>	<u>Admin. Costs</u>	<u>Workload</u>
Albany Blue Cross	\$ 1,114,602	217,677
BCBSGNY	6,437,298	1,219,716
Buffalo Blue Cross	1,370,171	244,295
Cooperativa	347,625	57,926
New Jersey Blue Cross	2,168,728	458,369
Prudential (Part A)	1,903,421	325,570
Rochester Blue Cross	724,885	167,429
Syracuse Blue Cross	966,335	183,453
Travelers (New York Field & Home Office Allocation)	5,174,058	566,911
Medicare Part A (San Juan Field & Home Office Allocation)	622,742	82,848
Utica Blue Cross	621,029	155,759
Watertown Blue Cross	79,034	19,485
TOTALS	\$21,529,928	3,699,448

ADMINISTRATIVE COSTS, PART B CONTRACTORS

PERIOD - 3RD QUARTER FISCAL 1978 - (OCTOBER 1977 - JUNE 1978)

<u>Contractors</u>	<u>Admin. Costs</u>	<u>Workload</u>
BCBSGNY	\$19,383,253	6,101,727
Buffalo Blue Shield	1,816,861	491,687
SSS	1,552,707	407,912
Prudential (New Jersey Field & Home Office Allocation)	11,126,486	3,105,252
Metropolitan (Utica Field & Home Office Allocation)	3,403,908	1,245,792
Equitable (Home Office)	2,052,056	---
GHI (New York Field & Home Office Allocation)	2,315,913	748,661
Rochester Blue Shield	970,410	274,689
	<u>\$42,621,594</u>	<u>12,375,720</u>

\*Equitable does not have claims processing offices in the New York area.

Table A-1  
Administrative Cost Figures - Intermediaries  
October - June 1978

Contractor (peer group)	Total Unit Cost	Unit Cost Excluding Reimb, Audit, PSRO, HMO	Productivity per man year	Productivity per 100 hrs
Albany B/C (3)	\$ 5.12	\$ 4.10	5496	346
BCSNY (1)	5.28	3.97	5165	328
Buffalo B/C (3)	5.61	4.78	4443	274
Cooperativa (c)	6.00	4.30	4596	273
NJBC (2)	4.73	3.85	5652	410
Syracuse B/C (3)	5.27	4.08	3919	249
Pru A - NJ (c)	5.85	5.10	3320	200
Travelers - NY (c)	8.81	6.55	2497	152
Rochester B/C (3)	4.33	3.80	5967	347
Medicare Pt A- PR (4)	7.52	5.34	3473	229
Utica B/C (3)	3.99	3.08	5101	312
Watertown B/C (4)	4.06	3.44	3607	210
National Average	5.50	4.09	4965	298
<u>Peer Group averages:</u>				
Group 1	5.11	3.83	5484	332
Group 2	5.13	3.76	5310	317
Group 3	4.97	3.82	5029	299
Group 4	5.52	3.99	4755	280
Commercials	6.79	4.89	3684	218

Source document: Analysis of Intermediaries' and Carriers' Administrative Costs Report

Table A-2  
Selected Data for Part A Intermediaries  
October - June FY 78

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<u>Contractor</u>	<u>Adjusted * unit cost per bill</u>	<u>Contractor</u>	<u>Adjusted* Productivity per 100 man-hours</u>
Utica B/C	\$ 3.26	NJBC	411
Watertown B/C	3.62	Rochester B/C	350
Rochester B/C	3.98	Albany B/C	349
NJBC	4.08	BCGNY	330
		Utica B/C	315
National Average	4.10	National Average	307
BCGNY	4.18	Buffalo B/C	275
Syracuse B/C	4.26	Cooperativa	273
Albany B/C	4.28	Syracuse B/C	252
Cooperativa	4.30	Medicare Pt A - PR	230
Buffalo B/C	5.02	Watertown B/C	213
Prudential	5.10	Prudential	200
Medicare Pt A - PR	5.58	Travelers	152
Travelers	6.03		

\*Adjusted to allocate costs and productive hours of BCA; unit cost excludes costs of provider reimbursement and audit, PSRN and HMO operations.

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Source document: Analysis of Intermediaries' and Carriers' Administrative Costs Report

TABLE A-3  
Weeks Work on Hand

	(1978)								
	<u>October</u>	<u>November</u>	<u>December</u>	<u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
National	1.1	1.1	1.1	1.1	1.1	1.1	1.0	1.1	1.0
Albany	1.0	1.2	.5	1.6	1.6	1.5	.8	.7	.6
BCGNY	1.2	1.1	1.2	1.2	1.2	1.1	1.1	1.1	1.1
Buffalo	1.1	1.0	1.2	1.3	1.5	1.2	1.3	1.3	1.3
Cooperativa	2.7	1.9	1.5	1.8	2.1	1.9	1.7	1.9	2.3
HSPNJ	.7	.8	.7	.8	.7	.7	.5	.6	.8
Prudential - NJ	1.4	1.4	.7	.6	1.2	.5	1.5	.8	1.1
Medicare A	2.7	1.0	.9	1.5	1.2	.9	1.0	1.1	1.1
Rochester	.9	.7	.6	.8	.8	1.1	.9	1.1	1.0
Syracuse	1.1	1.3	1.2	1.2	1.3	1.0	.9	1.0	1.1
Travelers	1.8	1.6	1.7	1.9	2.0	3.0	1.5	1.3	1.2
Utica	1.2	1.3	.9	.8	.7	.9	.6	.7	.8
Watertown	.3	.3	.3	.2	.2	.3	.3	.4	.5

Source Document: Intermediary Workload Report

TABLE A-4

Claims - Percentage Pending Over Thirty Days

	<u>October</u>	<u>November</u>	<u>December</u>	(1978) <u>January</u>	<u>February</u>	<u>March</u>	<u>April</u>	<u>May</u>	<u>June</u>
National	17.5	17.2	19.9	18.7	18.8	17.8	17.7	16.2	16.8
Albany	12.9	3.5	17.2	7.1	4.9	4.7	13.1	7.3	13.6
BCGNY	22.5	20.7	20.5	19.3	34.0	21.8	20.0	20.0	20.0
Buffalo	14.7	20.4	21.6	17.0	18.1	11.3	12.0	17.0	17.7
Cooperativa	15.5	22.3	20.4	25.0	21.9	20.2	26.4	25.6	23.7
HSPNJ	5.5	5.3	5.8	4.8	5.0	6.0	6.9	7.5	3.5
Prudential - NJ	2.6	2.4	6.0	5.1	4.5	5.3	1.3	3.3	3.8
Medicare A	5.9	10.8	17.7	13.5	19.3	14.3	17.2	16.0	26.1
Rochester	24.8	31.0	15.9	5.2	16.8	5.1	8.6	7.5	10.0
Syracuse	27.5	21.8	30.5	30.7	25.4	37.1	36.4	27.9	25.7
Travelers	15.1	14.1	19.2	17.0	17.1	16.4	22.1	18.2	9.2
Utica	9.3	5.7	10.5	8.8	8.0	6.2	6.0	4.8	4.5
Watertown	17.5	25.0	29.1	22.8	37.8	26.2	30.3	10.8	8.2

Source document: Intermediary Workload Report

TABLE A-5  
(Mean Bill Processing Time)  
(Intermediary Processing Time and Batching  
and Transit Processing Time Combined)

	<u>INP</u>	<u>SNF</u>	<u>OP</u>	<u>HHH</u>
Nation	24.8	34.1	25.9	30.0
Albany	12.2	27.6	26.2	20.2
BCGSNY	44.2	85.4	54.1	48.9
Buffalo	16.8	16.9	16.0	24.9
Cooperativa	32.7	62.5	31.9	29.5
HSPNJ	14.6	20.7	16.4	23.6
Prudential - NJ	15.1	16.1	17.2	17.1
Medicare A	17.6	22.6	24.4	26.8
Rochester	17.8	41.2	26.4	24.5
Syracuse	30.3	42.0	37.1	36.3
Travelers - NY	22.3	26.5	43.8	----
Utica	38.4	44.2	43.5	40.6
Watertown	75.0	123.5	60.5	52.6



TABLE A-6  
Errors in Bills Processed

	<u>INP</u>	<u>SNF</u>	<u>OP</u>	<u>HHA</u>
Nation	2.0	3.6	0.2	1.7
Albany	2.5	5.6	0.5	1.5
BCGNY	3.1	5.8	0.1	2.4
Buffalo	1.0	2.8	0.05	0.3
Cooperativa	2.3	4.5	0.7	2.4
HSPNJ	3.1	4.2	0.2	2.1
Prudential - NJ	2.0	3.8	0.3	1.3
Medicare A	3.4	12.5	0.1	3.5
Rochester	2.9	6.4	0.6	2.2
Syracuse	1.9	3.0	0.1	1.0
Travelers	3.2	5.7	0.6	---
Utica	0.9	3.5	0.1	0.9
Watertown	3.9	8.1	0.4	0.0

Source document: Errors in Health Insurance Bills Report

TABLE A-7  
Cost Report Settlement Percentages As of August 1978

<u>Cost Reports Due in FY Ending</u>	<u>6/30/74</u>	<u>6/30/75</u>	<u>6/30/76</u>	<u>9/30/76</u> (Transitional Period)	<u>9/30/77</u>	<u>9/30/78</u>
<u>Intermediary</u>						
Albany	100%	100%	91%	60%	53.8%	1.2%
BCBSGNY	100%	100%	**92.9%	100%	33.8%	0
Cooperativa	100%	100%	100%	100%	70%	0
HSPNJ	100%	100%	100%	83.3%	86.2%	11.2%
Jamestown	100%	100%	100%	*	84.6%	21.4%
Medicare Part A-PR	95.7%	96.5%	97.9%	100%	52.1%	2.3%
Prudential	100%	100%	98.7%	81.8%	80.9%	1.3%
Rochester	100%	100%	98.2%	100%	91%	8.7%
Syracuse	100%	100%	92.2%	*	56.2%	1.5%
Travelers	98.2%	94.8%	88.3%	80%	60.8%	12.6%
Utica	98.6%	100%	98.6%	0	34.6%	0
Watertown	100%	100%	100%	0	22.2%	0
Buffalo	100%	100%	100%	100%	86.2%	22.3%
Regional Average	99.6%	99.3%	96.8%	73.2%	82.5%	6.3%
National Average as of June 30, 1978			95.7%	85%	58.7%	4.2%

\*No cost reports due during the transitional period.

\*\*The percentage of cost reports settled is lower because 2 providers originally notified without audit have now been transmitted to audit.

TABLE A-8  
INTERMEDIARY RTI EVALUATION

	Total RTI Suspense File	# Bills Returned Current Month	# Bills Resubmitted Current Month	Total Rere- jects in Sus- pense File	% Rere- ject in Suspense File	% RTI Bills Pending 6 Months or More	% Pending 6 Months or More
NATIONAL	172378	18707	20053	32653	18.9	89167	51.7
REGION	30606	2924	2038	9128	29.8	17435	57.0
HSPNJ	5303	400	331	2731	51.5	3640	68.6
ALBANY	2220	204	92	232	10.5	1272	57.3
BUFFALO	1102	123	154	228	20.7	783	71.1
JAMESTOWN	42	13	50	14	33.3	12	28.6
ECBSGNY	17006	1377	740	5258	30.9	9500	55.9
ROCHESTER	1523	92	304	227	14.9	888	58.3
SYRACUSE	1045	92	124	84	8.0	536	51.3
UTICA	390	57	110	54	13.8	133	34.1
WATERTOWN	1082	10	4	32	19.5	109	66.5
PRUDENTIAL	729	421	393	101	9.3	195	18.0
COOPERATIVA		135	9	167	22.9	367	50.3

Source document: Evaluation of Intermediary's RTI Bill Processing Within Region Report

Table B-1  
Administrative Cost Figures - Carriers  
October - June Fiscal Year 78

<u>Contractor (Peer group)</u>	<u>Unit Cost per claim</u>	<u>Productivity per man-year</u>	<u>Productivity per 100 hours</u>
BSGNY (1)	\$ 3.18	5732	363
Buffalo B/S (4)	3.70	6899	453
GHI - NY (2)	3.07	6348	437
Rochester B/S (4)	3.53	5659	329
Metropolitan - NY (2)	2.73	6871	418
Prudential - NJ (1)	2.78	5832	357
SSS (4)	3.81	6927	445
National Average	2.85	7071	427
Peer Group Averages			
Group 1	2.79	7430	450
Group 2	2.92	6445	393
Group 3	2.70	7416	434
Group 4	3.56	6046	363

TABLE B-2  
MONTHLY INDICATORS

WEEK's WORK ON HAND \*

	National	BCBSGNY	GHI	Metropolitan-NY	Prudential-NJ	BSWNY	GVMC	SSS
October 1977	1.3	1.7	1.0	1.0	.8	1.3	1.3	2.3
November	1.5	1.5	1.8	1.2	1.0	1.4	1.4	4.8
December	1.7	1.5	2.0	1.1	1.3	2.1	2.0	4.2
January 1978	1.8	1.6	1.8	1.1	1.0	4.2	1.8	5.3
February	1.7	1.9	1.4	2.1	1.1	2.4	1.5	4.5
March	1.5	1.4	1.5	1.0	.8	1.3	1.1	5.5
April	1.3	1.5	1.5	.7	.9	1.3	1.7	3.5
May	1.6	1.8	1.3	.8	1.6	1.0	1.8	3.5
June	1.5	1.3	1.1	.9	1.0	1.3	2.5	4.0
July	1.6	1.7	1.0	.9	1.3	1.4	2.0	3.5
August	1.4	1.6	.9	.6	.9	1.1	2.0	3.6
September	Not available	1.3	.8	.7	1.0	1.2	2.0	1.5

% of CASES OVER 30 DAYS \*

October 1977	15.0	27.9	16.2	10.0	9.5	12.9	18.6	19.3
November	13.1	24.6	11.3	7.8	8.7	13.7	16.0	12.2
December	13.4	25.0	14.4	7.3	8.8	12.9	15.9	32.5
January 1978	13.6	27.0	10.0	7.4	11.8	9.0	17.1	31.8
February	15.0	38.3	18.4	9.8	20.6	16.6	19.9	29.4
March	16.9	25.6	18.6	7.3	20.0	22.4	14.6	28.8
April	14.2	26.0	18.3	7.7	11.9	10.9	12.7	34.7
May	11.7	16.5	17.8	4.5	9.3	9.0	11.2	29.7
June	11.3	20.2	16.3	5.8	8.5	7.7	8.8	15.8
July	13.9	22.3	13.7	9.1	9.2	9.4	11.0	25.1
August	13.6	19.3	12.3	2.3	12.7	8.0	16.5	21.0
September	Not available	22.8	11.4	2.0	12.4	9.6	31.3	19.5

\*Source - SMI Carrier Workload Report

TABLE B-3  
QUARTERLY INDICATORS

CLAIMS PROCESSING TIME \*

	<u>National</u>	<u>BCBSGNY</u>	<u>Metropolitan-NY</u>	<u>Prudential-NJ</u>	<u>GVMC</u>	<u>BSWNY</u>	<u>GHI</u>	<u>SSS</u>
September 1977	12.7	17.0	14.1	9.8	15.3	11.5	18.9	16.5
December 1977	12.1	13.1	11.4	9.0	15.0	9.6	22.7	22.9
March 1978	14.6	13.3	12.5	8.5	17.0	18.4	25.1	36.8
June 1978	12.6	11.2	8.4	9.3	15.8	10.9	17.1	32.8

WORKLOAD PROCESSING & PENDING INDEX \*\*

September 1977	100.0	88.8	91.7	104.9	97.6	103.0	87.4	85.4
December 1977	100.0	98.1	99.9	107.8	98.0	104.8	77.2	58.1

\*Source - Claims processing

\*\*Source - Part B Performance indicators

TABLE B-4

QUARTERLY INDICATORSQUALITY ASSURANCE REPORTSOCCURRENCE ERROR RATE \*\*

	<u>National</u>	<u>BCBSGNY</u>	<u>GHI</u>	<u>Metropolitan-NY</u>	<u>Prudential-NJ</u>	<u>BSWNY</u>	<u>GVMC</u>	<u>SSS</u>
Oct. 1976-Sept. 1977	8.7	6.3	8.9	5.1	7.9	6.1	5.5	10.0
Jan. 1977-Dec. 1977	8.7	6.9	7.8	4.3	6.4	4.8	5.6	10.0
Apr. 1977-March 1978	8.6	7.7	7.0	3.8	5.6	5.3	6.4	8.7

	<u>Payment/Deductible Error Rate **</u>							
Oct. 1976-Sept. 1977	2.4	4.5	3.9	1.2	1.7	1.3	3.8	3.4
Jan. 1977-Dec. 1977	2.2	3.8	3.0	1.2	1.6	1.0	4.0	2.4
Apr. 1977-March 1978	2.0	3.5	1.9	1.1	1.6	1.1	4.5	2.1

\*Not available

\*\*Source - Central Office Quality Assurance Pilot Reports

TABLE B-5

MONTHLY INDICATORSCorrespondence - Mean Processing Time \*

	BCBSGNY	GHI	Met.-NY	Pru.-NJ	BSWNY	GVMC	SSS
October 1977	N/A	N/A	17.6	10.5	12.7	5.1	23.2
November	N/A	N/A	17.8	12.1	12.7	9.6	23.3
December	N/A	N/A	16.9	12.0	10.2	10.7	22.3
January 1978	N/A	N/A	12.3	12.7	17.4	17.5	30.1
February	N/A	N/A	10.5	13.0	17.0	22.7	23.2
March	N/A	N/A	9.3	10.7	N/A	20.0	30.9
April	N/A	7.0	8.7	10.5	16.9	14.5	39.3
May	26.7	6.3	7.0	10.2	15.5	8.5	42.8
June	24.7	8.3	5.5	11.8	15.8	13.0	63.4
July	25.0	8.6	6.7	12.1	13.3	11.6	65.6
August	26.1	7.7	6.6	11.0	14.6	14.0	60.3
September	27.8	8.0	7.5	11.2	14.7	14.4	52.5

Reviews - Mean Processing Time \*

October 1977	N/A	N/A	33	25	39	19	29
November	N/A	N/A	32	31	45	19.2	30
December	N/A	N/A	27.9	26.4	34.5	24.3	24.0
January 1978	N/A	N/A	20.4	26.1	50.0	19.3	31.3
February	N/A	N/A	17.3	26.0	48.5	21.2	26.8
March	N/A	N/A	16.6	22.3	N/A	25.0	31.2
April	N/A	24.8	14.2	20.1	43.8	7.7	39.3
May	27.7	25.7	12.7	18.9	40.3	30.0	42.8
June	25.4	29.0	10.3	24.1	45.3	70.3	63.4
July	24.5	34.5	11.8	21.2	53.6	63.0	65.6
August	26.0	28.7	12.2	19.6	63.7	93.0	60.3
September	27.4	19.5	14.1	26.6	57.4	93.1	52.5

\*Source - Monthly Service Report



TABLE B-6  
CORRESPONDENCE - % Pending - 0/30 Days \*

	BCBSGNY	GHI	Met.-NY	Pru.-NJ	BSWNY	GVMC	SSS
October 1977	2.7%	3.4%	7.0%	13.3%	6.9%	.5%	1.7%
November	6.3	9.2	6.0	9.7	8.5	.5	.6
December	N/A	14.6	5.7	21.0	20.7	42.0	2.0
January 1978	N/A	7.4	1.3	15.3	30.2	18.5	1.2
February	N/A	7.5	1.1	9.6	15.3	11.3	10.4
March	N/A	14.2	.9	9.2	N/A	9.0	37.6
April	.6	1.5	3.7	15.5	11.6	8.2	56.1
May	.3	1.3	2.3	14.1	20.7	16.6	73.4
June	6.3	1.3	N/A	10.1	16.0	N/A	62.4
July	1.6	16.4	2.0	12.2	29.4	1.5	73.6
August	10.7	14.5	.9	12.0	13.6	32.0	47.3
September	15.2	30.6	4.1	12.0	12.3	34.5	51.2

Reviews - % Pending 0/30 Days

October 1977	5.4%	8.1%	20.8%	39.7%	59%	61.5%	27.5%
November	7.0	31.3	14.5	30	36	29.4	21.4
December	3.3	14.1	10.8	25.3	69.1	35.1	9.1
January 1978	5.1	12.7	2.9	27.3	58.6	56.3	0
February	4.2	17.6	2.2	34.7	76.3	76.7	14.3
March	N/A	30.5	2.3	24.8	N/A	54.8	34.8
April	3.8	13.6	4.5	22.0	60.3	80.2	58.2
May	4.2	17.3	6.4	35.0	31.2	77.3	60.5
June	2.5	8.0	3.7	12.1	62.0	76.2	81.7
July	6.3	16.5	3.5	21.3	65.5	85.0	86.8
August	15.6	18.6	6.8	17.2	77.4	77.5	41.4
September	20.1	26.1	3.1	21.6	62.3	87.8	64.8

\*Source - Monthly Service Report

END STAGE RENAL DISEASE BENEFICIAIRES LIVING AS OF 9/30/78

		<u>Type of Beneficiary</u>		
	<u>Total ESRD</u>	<u>299-I</u>	<u>DIB</u>	<u>AGED</u>
NEW YORK	* 4,685	1,994	1,557	1,134
NEW JERSEY	* 2,199	845	867	487
PUERTO RICO	* 352	177	139	36
VIRGIN ISLANDS	* 15	7	7	1
TOTAL -- REGION II	* 7,251	3,023	2,570	1,658
TOTAL -- UNITED STATES	* 48,967	22,209	17,068	9,690

\* Figures include all current living covered and non-covered ESRD beneficiaries.

STATUS OF END STAGE RENAL DISEASE LONG-TERM PROGRAM

SEPTEMBER 30, 1978

	<u>Facilities</u>	<u>Approved Dialysis Stations</u>	<u>Renal Transplant Centers *</u>	<u>Renal Dialysis Centers</u>	<u>Non-Hospital Based Renal Dialysis Facilities</u>
NEW YORK	75	746	12	63	11
NEW JERSEY	22	320	3	17	5
PUERTO RICO	10	95	1	7	3
VIRGIN ISLANDS	2	6	0	2	0
REGION II TOTALS	109	1,167	16	89	19

\* Every Renal Transplant Center except one was also approved as a Renal Dialysis Center.

\* MEDICARE BENEFITS PAID FOR ESRD SERVICES IN REGION II  
FOR 299-I, AGED AND DIB BENEFICIARIES

	<u>1977</u>			<u>1976</u>		
	<u>Hospital</u>	<u>Medical Insurance</u>	<u>Hospital &amp; Medical Insurance</u>	<u>Hospital</u>	<u>Medical Insurance</u>	<u>Hospital &amp; Medical Insurance</u>
NEW YORK	\$17,570,377	\$46,042,384	\$63,612,761	\$13,876,525	\$37,954,778	\$51,831,303
NEW JERSEY	\$ 6,832,386	\$22,493,497	\$29,325,883	\$ 5,365,843	\$18,846,170	\$24,212,013
PUERTO RICO	\$ 465,337	\$ 2,093,542	\$ 2,558,879	\$ 221,570	\$ 1,257,221	\$ 1,478,791
VIRGIN ISLANDS	<u>N O T A V A I L A B L E</u>			<u>\$ 600</u>	<u>\$ 143,774</u>	<u>\$ 144,374</u>
TOTALS	\$24,868,100	\$70,629,423	\$95,497,523	\$19,464,538	\$58,201,943	\$77,666,481

\* Figures are based on a calendar year.

DDR REIMBURSEMENT STATISTICS FOR KEY PROVIDER GROUPS

New York City Health & Hospitals Corporation

--- \$103,000,000\*

\* Through 10/77, for FY ending 6/30/77 amount  
is unaudited and unadjusted.

New York State Department of Mental Hygiene

--- \$ 15,000,000\*

\* For FY ending 3/31/77 unaudited and unadjusted.

Puerto Rico:

Department of Health Commonwealth of Puerto Rico

--- \$ 7,074,288\*

\* For FY ending 6/30/76 unaudited and unadjusted.

\$ 8,212,754\*

\* For FY ending 9/30/77 as of 8/31/77, unaudited  
and unadjusted.

All Other Direct Dealing Providers in Puerto Rico

--- \$ 2,505,170\*

\* For FY ending 6/30/76 unaudited and unadjusted.

\$ 3,249,682\*

\* For FY ending 9/30/77, as of 8/31/77, unaudited  
and unadjusted.



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